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September 23, 2005

VIA HAND DELIVERY

Mr. Charles L. A. Terreni
Chief Clerk and Administrator
Public Service Commission of South Carolina
Post Office Box 11649
Columbia, South Carolina 29211

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2005 SEP 23 PM 5:04
SC PUBLIC SERVICE
COMMISSION

Re: Petition of South Carolina Pipeline Corporation for an Extension of the September 9, 2005
Emergency Order Authorizing Petitioner to Make Sales of Approved Emergency Gas (Supply
Related)
Docket No.: 2005-261-G
HSB File No.: 04381.0217

Dear Mr. Terreni:

Enclosed for filing are an original and twenty-six (26) copies of the **PETITION** being submitted on behalf of South Carolina Pipeline Corporation in the above-referenced matter. Please be kind enough to return a clocked-copy of the document to this office via the bearer of this document.

Thanking you for your consideration, I am,

Sincerely,



Belton T. Zeigler

BTZ/abm

enclosures

cc: Florence P. Belser, Esquire
Patricia B. Morrison, Esquire
Mitchell Willoughby, Esquire

STATE OF SOUTH CAROLINA
BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
DOCKET NO. 2005-261-G

In Re: Petition of South Carolina)
Pipeline Corporation for)
Extension of the September 9,)
2005 Emergency Order)
Authorizing Petitioner to Make)
Sales of Approved Emergency)
Gas (Supply Related))

PETITION

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COUNTY OF RICHLAND)

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Pursuant to S.C. Code Ann. Section 58-5-240 (1976), as amended, South Carolina Pipeline Corporation (the "Company" or "SCPC") hereby petitions the Public Service Commission of South Carolina (the "Commission") to extend its September 9, 2005, Emergency Order authorizing SCPC to make sales of Approved Emergency Gas (Supply Related) pursuant to Section 15.2 (a) of SCPC's General Terms and Conditions, First Revised Sheet No. 27 ("Supply-Related Emergency Gas").

The Petition for the proposed extension of the September 9, 2005 Emergency Order is based upon the following facts, circumstances, and information:

1. On September 1, 2005, SCPC filed with the Commission a petition to allow SCPC to make sales of Supply-Related Emergency Gas to interruptible customers who would otherwise be curtailed due to disruptions in gas supply.
2. The Commission held a hearing on that petition on September 1, 2005. SCPC's Vice President, Mr. Samuel L. Dozier, testified concerning the disruptions caused by Hurricane Katrina in deliveries by upstream suppliers

of gas SCPC had contracted with to provide service to its system.

3. Mr. Dozier testified that because of these disruptions, SCPC had to curtail certain categories of interruptible service pursuant Section 15 of its General Terms and Conditions. While gas commodity supplies and transportation were available to serve curtailed customers, such supplies were available only at significantly elevated prices.
4. Mr. Dozier was careful to point out that SCPC had adequate firm supply to meet all anticipated firm demands, and the concerns about gas related only to interruptible customer service.
5. On September 9, 2005, the Commission issued Order No. 2005-483(A), approving SCPC's request to offer Supply-Related Emergency Gas to curtailed interruptible customers priced at the actual delivered daily price of the specific source of supply used to serve the Customer, the applicable margin and other applicable costs and charges.
6. Order No. 2005-483(A), specifically required that gas purchased to provide Supply-Related Emergency Gas service to interruptible customers not be considered in computing SCPC's weighted average cost of gas, or in administering any aspects of SCPC's Purchased Gas Adjustment process or orders.
7. Since September 1, 2005, a significant number of SCPC's customers have made use of Supply-Related Emergency Gas allowing these customers to continue operating their factories and businesses in spite of gas supply disruptions and disruptions in the supply of alternative fuels such as

propane and fuel oil.

8. By its terms, the provision of Order No. 2005-483(A) will expire on September 30, 2005 unless extended by further order of this Commission.
9. Upstream supplies of natural gas and alternative fuels are still disrupted. As of last week, approximately 35% of the natural gas production in the Gulf of Mexico was still out of production due to Hurricane Katrina.
10. Hurricane Rita is scheduled to make landfall near Houston, Texas on September 24, 2005. It has resulted in the on-going recovery efforts from Hurricane Katrina being suspended. Hurricane Rita is poised to cause additional damage to production in the Gulf, and to the pipelines, compression stations, and processing plants needed to bring gas to market.
11. An additional round of interruptible curtailments began earlier this week as production was shut-in in anticipation of Hurricane Rita.
12. SCPC respectfully requests that the Commission extend its authority to offer Supply-Related Emergency Gas in response to the continued disruption in natural gas markets.
13. Specifically, as authorized in Order No. 2005-483(A), SCPC ask for continued authority to bid Approved Emergency Gas (Supply Related) to customers subject to curtailment on a daily basis at:
 - a. The actual delivered daily price of the specific source of supply used to serve the Customer: plus
 - b. The Commission approved maximum contract margin for service to customers falling in the applicable curtailment category; and plus
 - c. All other costs and charges related to the specific gas supply used to serve the customer.
14. As required by Order No. 2005-483(A), sales volumes and supply costs

related to Approved Emergency Gas (Supply Related) will not be considered in computing SCPC's weighted average cost of gas, or in administering any aspects of SCPC's Purchased Gas Adjustment process or orders.

15. In administering its sales of Supply-Related Emergency Gas, SCPC has confirmed sales with its customers electronically. In its confirmations, SCPC has included the following terms concerning balancing:
 - a. If Customers use more Supply-Related Emergency Gas during a gas day than contracted for (resulting in a short position on SCPC), then Customers authorize SCPC to purchase additional Supply-Related Emergency Gas to balance their account (if SCPC deems additional purchases to be necessary). Customers will pay SCPC for any additional Supply-Related Emergency Gas under the pricing terms set forth above for Supply-Related Emergency Gas
 - b. If Customers use less Supply-Related Emergency Gas than contracted for (resulting in a long position on SCPC), then Customers will pay for the unused gas under the pricing terms generally applicable to Supply-Related Emergency Gas. Customers will then be required to utilize all unused Supply-Related Emergency Gas purchased for their account prior to beginning any other gas purchases (including additional daily purchases or industrial sales

gas purchases after the curtailment release of Customers' priority-of-service category).

16. These provisions require the Customers to pay for and use all gas procured for the Customers' benefit under the Supply-Related Emergency Gas program. They prevent the administration of the Supply-Related Emergency Gas program from resulting in additional costs to SCPC's weighted average cost of gas.
17. In its confirmations, Customers are asked to agree that imbalances outside of tolerance of +/-5% are potentially subject to penalties. The penalties that could be imposed would be those penalties permitted under Article IV, Section 6 of SCPC's current General Terms and Conditions for Unauthorized Overrun Gas taken by interruptible customers. SCPC has not imposed any penalties to date, and would not foresee imposing penalties except in cases of clear abuse of the program.
18. In light of the extent of supply disruption, the slow recovery of the damaged production, and the likelihood of continued instability in gas markets, SCPC requests that the Commission extend SCPC's authority to offer Supply-Related Emergency Gas until November 30, 2005.
19. In some cases when supply related curtailments have been imposed, Customers have requested authorization to transport gas under their existing interruptible Transportation Contracts with SCPC. In those cases, customers would obtain their own gas supplies to transport. SCPC requests

that the Commission allow it to waive curtailment of interruptible transportation service on a day-to-day basis where curtailments are supply related and where SCPC determines that capacity exists to provide the requested interruptible transportation service. The effect of this authorization will allow Customers to use interruptible transportation on a daily basis in lieu of Supply-Related Emergency Gas.

20. Because of the need for prompt action to extend Order No. 2005-483(A), and because the need for the September 9, 2005 Emergency Order remains unchanged, SCPC requests that the Commission order the requested relief without a hearing on this matter.
21. All pleadings, correspondence and communication relating to this Application should be addressed to the following, who are authorized representatives to accept service on behalf of the Company.

Patricia Banks Morrison
South Carolina Pipeline Corporation
Columbia, South Carolina 29218
(803) 217-9356

Mitchell Willoughby
Willoughby & Hoefer, P.A.
Post Office Box 8416
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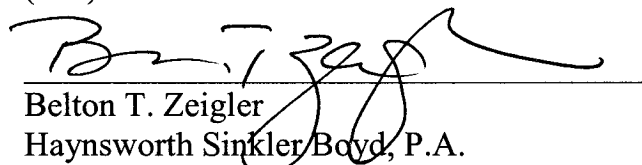
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WHEREFORE, South Carolina Pipeline Corporation prays that the Commission a) extend the effective time of its September 9, 2005 Emergency Order Authorizing Petitioner to Make Sales of Approved Emergency Gas (Supply Related) from September 30, 2005, to November 30, 2005, b) approve continued administration of the supply-related Emergency Gas sales program as set forth herein, and c) authorize SCPC to provide interruptible transportation service on a daily basis to curtailed interruptible customers during supply related curtailments where it determines that capacity is sufficient to support such service.

Respectfully submitted,

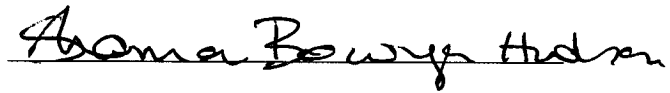
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The above petition has been reviewed and considered by the Office of Regulatory Staff. ORS finds the request to be in the public interest and would request approval of the petition in its entirety.

A handwritten signature in black ink, reading "Shannon Bowyer Hudson", written over a horizontal line.

Florence Belser, Esq.
Shannon Bowyer Hudson, Esq.
Office of Regulatory Staff